

**WORK SESSION
OF THE BRIGHAM CITY COUNCIL
TO DISCUSS THE 2010-11 BUDGET
FEBRUARY 18, 2010
5:30 P.M.**

PRESENT:	Dennis Fife	Mayor
	Bruce Christensen	Councilmember
	Scott Ericson	Councilmember
	Ruth Jensen	Councilmember
	Bob Marabella	Councilmember
	Tyler Vincent	Councilmember
ALSO PRESENT:	Doug Balmer	Golf Course Maintenance Superintendent
	Ben Boyce	Leisure Services Director
	Jim Buchanan	EMS Director
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Paul Larsen	City Planner
	Sara Lundberg	Museum Gallery Director
	Jason Roberts	Finance Director
	Paul Tittensor	Chief of Police

Mayor Fife gave an overview of the City's financial condition and what he is looking at for the 2010-11 budget.

The four general predictions in the nation reveal that there is not going to be much growth. The jobless recovery will still stifle consumer spending. Business spending and hiring won't increase much in 2010. The feds will be handcuffed by unemployment.

There will be continued reductions at ATK, with further reductions and losses if the Constellation/ARES program is discontinued. It is predicted that sales tax revenue will reduce as well as other revenue losses.

Employment of full-time employees at the City has increased from 134 in 2005-06 to 140 in 2009-10. Most cities look at 7-8 employees per 1,000 residents for larger cities. Brigham City is close to that range.

It is predicted that sales tax will decrease 7-8% from last year. It has slowly decreased since 2007-08. It is projected property taxes will be close to the same as last year. Building permits for single family dwellings and value of all permits have a similar trend.

There are several issues facing the City:

- ☐ 14.3% increase in the cost of benefits. The City's health insurance company paid more in claims than what they received from Brigham City.
- ☐ UTOPIA sales tax pledges.
- ☐ Reduced utility billing cycle and accuracy.
- ☐ Escalating utility costs.
- ☐ Centralized purchasing for office supplies, computers and clothing. The Mayor has formed a clothing committee that will come up with some recommendations.
- ☐ Organizational efficiencies.
- ☐ Increased demand for legal services.
- ☐ Meter reading (electric and water). Commercial meters still need to be upgraded to the new meters. Water meters need to be replaced to the automatic meters.
- ☐ A new recycling facility needs to be looked at and the time frame to move forward with it.
- ☐ Fleet Management.
- ☐ Pressurized residential irrigation system needs to be looked at.
- ☐ Future airport maintenance and improvements.
- ☐ Maintain and update infrastructure.
- ☐ Continue with 20-year master plan and make sure that upgrades and enhancements are completed.
- ☐ Continue to look into green power implementation.
- ☐ Review Power Plant operations.

- ☐ Continue to find new ways to attract new business.
- ☐ Continue to look at new museum and expansion of the Senior Center. Mayor Fife has been talking to the County to look at more of a County museum.
- ☐ RDA and EDA reasonable expectations and payback and deficits and address the deficiencies in the audit report.
- ☐ Improved friendly atmosphere of Community and Economic Development. Although this has really improved, there are still complaints.
- ☐ Need to be prepared and trained for all emergencies.
- ☐ Maintain NIMS certification.
- ☐ Maintain emergency vehicles and equipment for ambulance and fire.
- ☐ Improved space, especially for the Police Department.
- ☐ Improved security in the Police Department.
- ☐ Sports Complex.
- ☐ Get the golf course so it is self-sustaining.
- ☐ Review cemetery operations.

Mayor Fife reviewed his recommendations for the 2010-11 budget year. He is in the process of meeting with all City departments. He will present the budget on April 15 or sooner.

- ☐ Hiring freeze except to cover absolutely essential functions.
- ☐ More cross training and even more sharing of resources.
- ☐ Fleet management - delay replacement of most vehicles for one extra year.
- ☐ No salary increases with allowance for promotions and market adjustments. The CPI was -0.4 for the year.
- ☐ Strong justification for any capital projects.
- ☐ Fund replacement of water meters to reduce bill cycle time and improved accuracy of reading.
- ☐ Review all City contracts.
- ☐ Review City organization for improvements.
- ☐ Centralized purchasing for clothing, computers and office supplies.
- ☐ Reduced travel and training.
- ☐ No increase in utility rates or property tax.
- ☐ Improve local purchasing.
- ☐ Reallocate fund balance, decrease to 17 or 16% - move to future capital project or fund water meters.
- ☐ UTOPIA draw has to be replenished.
- ☐ Better control and understanding of RDA and EDA deficits.
- ☐ Health care benefits - sharing of costs?
- ☐ Increased business sponsorship of City events.

Councilmember Marabella expressed concern with delaying the purchase of vehicles for one year. He asked how much that would affect the budget. Mayor Fife said there is \$800,000 in the budget for vehicle replacements; it is usually closer to \$1 million. Any replacement requests should be looked at and if it can be extended a year, it should be. He would like to bring that number down to \$400,000-\$500,000. Councilmember Vincent expressed concern that if the City waits a year and then the next year there are still financial struggles, there will start to be a lot of mechanical problems. Councilmember Marabella said the Fleet Program seems to always be looked at as the easiest thing to cut. The City has a fleet manager that is managing this program and the reason the City rotates the equipment as outlined is so the maximum amount is received when the vehicles are sold. If a vehicle is extended one more year money is saved on the front end but maintenance and repair will increase.

Mayor Pro Tem Christensen reviewed the suggestions and concerns submitted by the Councilmembers. Some of the suggestions were also brought up in the Mayor's presentation.

1. Look at a buy out for Senior Employees.
2. Keep salaries maintained where they are, except those in line for a market increase or a promotion due to moving to a new position.

3. Look at changing the insurance contribution from 80%/20% to 75%/25%. Councilmember Ericson said the City will need to be careful to be competitive with other cities. Mayor Pro Tem Christensen said a recent survey indicated that Brigham City is low; other cities are closer to a 90% contribution.
4. Look closely at training, more car pooling to training, etc. Councilmember Marabella expressed concern with cutting training. If an employer wants to make their employees feel good about their job they should continue to teach them and grow and develop them. Mayor Fife said it should be more localized training. Councilmember Ericson said if the money is in their budget, the supervisors should make the determination where and who attends training. Mayor Fife said there have not been very many cuts in training line items.
5. Call some local businesses and ask them how their sales have been to get a better idea of what the sales tax will be.
6. Discuss whether to pass on the electric rate increase or absorb it. Mayor Fife said electric rates have gone up 21.5% over the last two years. There were 2-3 times when the City did not pass the increase onto the customers. If the new increase is passed onto the customers, it would be at 18.6%. If it is not passed on it would be at 13.6%. Brigham City is already charging more than Rocky Mountain Power. He felt the City should keep the rates constant until the rates are at least the same as RMP.
7. Freeze any further increases in other utilities.
8. Buy locally. The current policy is if the Brigham City merchant is within 5% the purchase should be done locally. It was recommended this be increased to 10% and a dollar amount.
9. Fleet Fund - determine what amount is desired for emergencies. Jason will find out how much money is currently in the fund, if it is felt there is too much it could be depleted.
10. Determine what to do with the unrestricted fund balance which is over the 18% allowed by the state.
11. Consider funds from the possible sale of property during the budget year.
12. Shortening the time of the billing collection from 41 days to maybe as low as 22 days over a period of time.
13. Look at funding automatic water meters, which produce a savings over the long run.
14. Follow time lines of grants.
15. Keep utility transfers at no more than 15.2%.
16. Watch property taxes carefully.
17. Work deficits.
18. Review City events, such as Peach Days and Heritage Arts Festival and look at the real cost to the City.
19. Look at fire fees that were recently established.
20. Look at sundry items, such as clothing expenses and miscellaneous supplies. Mayor Fife said he has established a clothing committee to review this.
21. Review the cost of cell phones and those employees who have them.
22. Protect the Senior Center budget.

Councilmember Ericson said there are a lot of programs for those that are unemployed. He suggested giving some kind of utility credit to people who go from being unemployed to gaining work. This would encourage people to get a job and the City will give them a break after that happens. Mayor Fife said a lot of people that were laid off at ATK received six month severance pay. This will be looked at in more detail.

Mayor Fife will use these guidelines as he puts his budget together.

The meeting adjourned at 6:56 p.m.